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NASA Procedural Requirements

COMPLIANCE IS MANDATORY**NPR 4300.1C**Effective Date: June 27,
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Request Notification of Change (NASA Only)

Subject: NASA Personal Property Disposal Procedural Requirements

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Chapter 5. Sale of Federal Government Property

5.1 Background

5.1.1 This chapter establishes the requirements for NASA-owned surplus and exchange/sale property that has completed all required Federal and donation screening and is to be sold. Under Federal Asset Sales (FAS), only an Agency designated as a Sales Center (SC) may sell Federal property. NASA does not have SC status but instead has partnered with the GSA for conducting the sales of NASA property. The goals under this initiative are to maximize the revenue that the Federal Government receives from property asset sales by ensuring maximum visibility of the assets to prospective buyers; to ensure transparency in the sales process so that agencies are aware of the costs and performance of their sales alternatives; to make prospective buyers aware of the condition of the items offered for sale; to ensure information on Federal sales activities are readily available to the public; to apply the best marketing options to accommodate sale (e.g., Internet sale/auctions, drop by sale, negotiated sale, fixed price sale, sealed bidding, spot bidding); and to collect and report Government-wide data on the volume, proceeds, cost, and other performance characteristics of Federal property sales. A generic flow chart of excess property disposal through sales is shown in Figure 5-1.

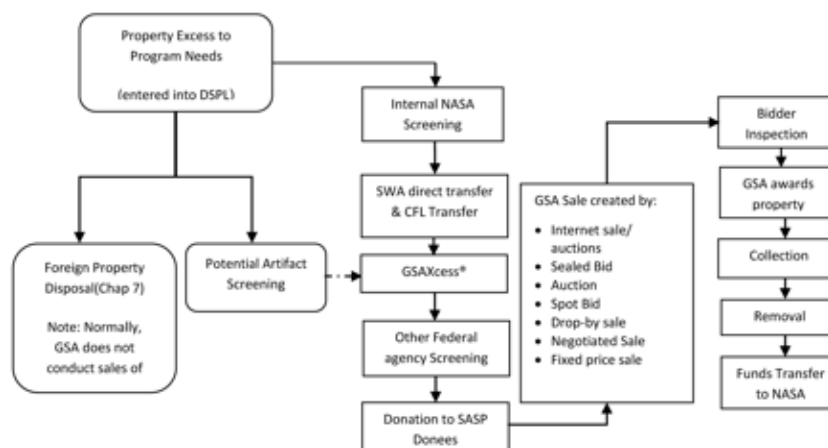


Figure 5-1. Generic Excess Property Disposal Flow Chart Through Sales

5.2 Designation

5.2.1 GSA is designated as NASA's SC for all NASA-held surplus and exchange/sale of property; SC designation and responsibilities are described in 41 C.F.R. 102-38.

5.3 Authority

5.3.1 All U.S. sales of NASA-owned surplus and exchange/sale property shall follow the provisions of FPMR 41 C.F.R. 101-45, 41 C.F.R. 102.38.

5.4 Guidance

5.4.1 Normally, sales are conducted by GSA as the NASA Sales Agent using competitive bid processes, including sealed bid, spot bid, or online auctions.

5.4.1.1 Inappropriate domestic sale of an ITAR/EAR controlled item may result in a violation of export control laws and regulations and the unauthorized export of controlled property or technology. All disposal personnel shall be aware of the importance of the proper disposition of items controlled under the ITAR and/or EAR.

5.4.1.2 Inappropriate sale of NASA property involving stored SBU or CUI information (electronic or non-electronic) including PII may violate NASA or Government-wide policy, Federal statutory requirements, or Federal law. As such, removal/destruction of data procedures outlined in NPR 2810.1 and the associated ITS Handbooks on Media Protection (ITS-HBK-2810.11-01: Media Protection and ITS-HBK-2810.11-02 Media Protection: Digital Media Sanitization) shall be strictly adhered to.

5.4.2 Negotiated sales may be done by GSA under the following conditions:

a. For exchange/sale property, as long as the reasonable value involved in the contract does not exceed \$500 (41 C.F.R. 102-39.75); or

b. For surplus property, as long as the estimated Fair Market Value (FMV) does not exceed \$15,000 (41 C.F.R. § 102-38.100-38.115).

5.4.3 Negotiated sales exceptions. The exceptions for doing negotiated sales of surplus property for items that exceed \$15,000 FMV are:

a. The disposal will be to a State, territory, possession, political subdivision thereof, or tax-supported Agency therein and the estimated FMV of the property and other satisfactory terms of disposal are obtained by negotiation;

b. Bid prices after advertising are not reasonable and re-advertising would serve no useful purpose;

c. Public exigency does not permit any delay such as that caused by the time required to advertise a sale;

d. The sale promotes public health, safety, or national security;

e. The sale is in the public interest in support of a national emergency declared by the President or the Congress. This authority may be used only with specific lot(s) of property or for categories determined by the Administrator of General Services for a designated period but not in excess of three months;

f. Selling the property competitively would have an adverse impact on the national economy, provided that the estimated FMV of the property and other satisfactory terms of disposal can be obtained by negotiation, (e.g., sale of large quantities of an agricultural product that impacts domestic markets); or

g. It is otherwise authorized by Title 40 of the U.S. Code or other law.

5.4.4 Negotiated sales approval. The NASA Administrator or the Associate Administrator for OSI (as the Administrator's designated representative) shall approve all negotiated sales of property with an estimated FMV in excess of \$15,000 with concurrence of the Headquarters OGC and coordination with NASA Office of Legislative and Intergovernmental Affairs.

5.4.4.1 In advance of a negotiated sale that exceeds \$15,000 FMV, NASA Headquarters shall submit explanatory statements for each sale by negotiation to the NASA oversight committees in the Senate and House (Procedure for Disposal, 40 U.S.C. § 545(e)).

5.4.4.2 The requesting Center shall maintain copies of the explanatory statements supporting the negotiated sale in their disposal files.

5.4.4.3 Upon completion of preliminary actions, NASA Headquarters Director, LD shall coordinate with GSA for execution of the sale.

5.4.4.4 All sales of NASA property shall be conducted in a manner that is fair and equitable for all potential buyers.

5.4.5 NASA civil service and contractor employees' sales restrictions. Sales shall not be permitted to NASA civil service and contractor employees having access to NASA property records or who have been involved in the administration or termination of NASA contractor inventory, maintenance, use, inspection, and/or support of property before or during the disposal or sales process.

5.4.5.1 The term employee includes an agent or immediate member of the household of the employee.

5.4.5.2 The NASA civil service and contractor employees' sales restriction shall be forwarded to GSA Sales by the Headquarters Property Disposal Manager to be posted for restriction of NASA sales.

5.4.6 Each sale of Government-owned surplus or exchange/sale property is a Government contract. Therefore, the methods and procedures for the proper conduct of Government sales require extensive training and knowledge of Federal Government-wide sales regulations; procedures; and Federal contract, dispute-resolution, and debarment processes. The expertise for Government sales resides within the GSA. Center PDOs are to consult their GSA Regional Sales Office for the conduct of all sales methods, as necessary.

5.4.7 Sale of scrap. Property that has no commercial utility or value except for its basic material content is considered scrap material. Center PDOs may seek recommendations for scrap contractors through GSA.

5.4.7.1 Regardless of who the scrap vendor is, Center PDOs shall create a disposal case in DSPL to reflect the transaction.

5.4.7.2 If sales proceeds for the scrap are received by a NASA Center, the Center PDO shall record the sales proceeds for each pickup by the scrap vendor as a recyclable sale in the DSPL sales module.

5.4.8 When excess property is turned in for disposal and is later scrapped (e.g., export compliance, DEMIL, special handling requirements, or cannot be sold), the sales proceeds may be credited as surplus sales or recyclables as applicable.

5.4.9 When replacement property (exchange/sale) is turned in for disposition and is later scrapped (e.g., export compliance, DEMIL, special handling requirements, or cannot be sold), the sales proceeds will be credited to exchange/sale and not recyclables.

5.5 Sales Process and Procedures

5.5.1 To accommodate the sale of NASA exchange/sale and surplus property, the following actions shall be taken by the Center PDO:

- a. Electronically report excess and exchange/sale property through DSPL to GSA.
- b. Account for the property and the care and handling of the property until removal by the buyer.
- c. Coordinate with GSA Regional Sales Office to determine the method of sale.
- d. Where feasible and desirable, group items in lots when they become available for sale. Lotting should be done in advance of sales as follows:
 - (1) Within 20 working days for NASA Centers holding two sales per month, or
 - (2) Within 30 working days for NASA Centers holding one sale per month.
- e. Lot exchange/sale and surplus sales property separately and transmit sales information by the standard spreadsheet template to include EAR/ITAR and U.S. Citizen requirements (until process is automated) to GSA for offering to the public for sale.
- f. Provide photo of sales lots to GSA (see section 2.6.5).
- g. Create the sale in DSPL.
- h. Identify items requiring DEMIL, special handling, export controls, rigging, or permits to GSA.
- i. Ensure that for sales of personal property purchasers show physical proof of U.S. citizenship in accordance with the guidance of Appendix D, Public Sales of Export-controlled Property.
- j. Unless performed by GSA, ensure that purchasers sign a statement that they understand and agree to comply with the applicable export compliance regulations (EAR/ITAR).
 - (1) Whenever the Center PDO communicates to GSA that the property can be sold only to a U.S. citizen and the property falls under EAR/ITAR (see section 5.5 e), GSA Sales will require EAR/ITAR certification to be electronically signed by the purchaser, which states the purchaser accepts the terms of this U.S. Export Controlled Certification (see Appendix F.4).
 - (2) GSA Sales will send a copy of the electronically signed U.S. Export Certification to the Center PDO for record.
 - (3) The U.S. Export Certification does not satisfy the NASA requirement that the purchaser or their agent is required to show the NASA Center proof of U.S. citizenship prior to the property being released by NASA in accordance with the guidance provided in Appendix D and it is a NASA responsibility to see proof.

k. Unless performed by GSA, ensure purchasers of EAR- and ITAR-controlled property are not on the Department of State Debarred Parties and Department of Commerce Denied Persons Lists.

l. Emphasize to all disposal personnel the importance of the proper disposition of items controlled under ITAR and/or EAR and ensure they have been trained on disposal procedures relating to the sale of export controlled items (i.e., verifications and checks); specifically, how an inappropriate domestic sale of an ITAR/EAR-controlled item may result in a violation of export control laws and regulations, and the unauthorized export of controlled property or technology.

m. Coordinate with GSA Regional Sales Office for withdrawal of items being offered for sale when requested by NASA.

n. Release property only when a signed Purchaser's Receipt and Authority to Release Property (GSA Form 27A) has been electronically received from the GSA collection officer.

o. Coordinate the date/time of the removal of purchased property with the buyer.

p. Obtain written authorization from the buyer for anyone other than the buyer removing the property, (e.g., carrier, UPS, FedEx, other person, and keep on file with the purchaser's receipt).

q. Notify GSA Regional Sales Office when the purchased property has been picked up.

r. Close out disposal records in DSPL to reflect the final disposition in a timely manner.

s. Assist Center finance personnel when discrepancies exist between the Intra-Governmental Payment and Collection (IPAC) and BW for sales and resolve discrepancies with the GSA Regional Sales Office.

t. Report all suspected violations of Advice of Attorney General With Respect to Antitrust Law, 40 U.S.C. § 559, fraud, bribery, or criminal collusion in connection with the disposal of property to NASA Office of Inspector General (OIG).

5.5.2 Except as otherwise authorized, all surplus sales proceeds shall be applied during the fiscal year in which the property was sold or the subsequent fiscal year for the direct and the associated indirect cost of conducting sales.

5.5.2.1 Any proceeds of sale not applied during this time shall be deposited in the United States Treasury as miscellaneous receipts.

5.5.2.2 That portion of the surplus sales proceeds equal to its costs of care and handling directly related to the sale of property (e.g., warehouse/storage facilities (use, maintenance, purchase), sales preparation, environmental services, special handling, DEMIL, security services, advertising, appraisal services, transportation of property during/after sale, and labor cost related to the sale) shall be retained.

5.5.2.3 That portion of the surplus sales proceeds equal to its indirect cost (e.g., contractor costs for repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, transporting, and destroying or rendering the property innocuous) shall be retained. Indirect cost also can include advertising, appraisal, sales preparation, environmental services, labor or other contract costs related to the sale of property.

5.5.2.4 Figure 5-2 provides an example for recording retained sales "cost":

Sales Number: _____	Date of Sale: _____
Cost Breakdown (Include Government and contractor hours and associated tasks to perform the following):	
Clerical: data input, duplication, record keeping, and receipts	\$5,000
Center PDO and Civil Servant staff administration	\$ 7,000
Preparing sales spreadsheet to send to GSA	\$500
Warehousing: handling, lotting, ECN tag removal, scheduling pickup, testing and preparing computers, property removal inventory	\$15,000
Lease fee for this excess property facility	\$5,000
Fee to remove and destroy hard drive	\$1,000
Security: access control, guard patrol during collection periods	\$3,000

Supervision: management oversight	\$5,000
Other costs: overhead, export control reviews, safety, environmental, DEMIL, special handling, heavy lift equipment	\$10,000
Total Cost	\$51,000
Note: This list is not intended to be all inclusive	

Figure 5-2. Example of Typical Sales Proceeds Retention

5.6 GSA Responsibilities for Supporting NASA Property Sales

5.6.1 As the Sales Agent for NASA, GSA has agreed to perform the following support services:

- a. Evaluate surplus and exchange/sale property (excluding term sales for recyclables) to determine the number and variety to be sold and, if necessary, the FMV of unique items. When requested by NASA, determining the FMVs for such items may require the services of a professional appraiser at additional cost to NASA.
- b. Work closely with Center PDOs to determine frequency of sales required based on each installation's volume (including large influxes) and warehouse capacity limitations.
- c. Perform administrative duties related to sales including establishing sales number, reviewing and awarding property, collecting all payments, disbursing apportioned proceeds to NASA Centers, and exercising the contractual authority necessary to resolve any sales disputes.
- d. For optional sales methods (sealed bid, auction, spot bid, drop-by sale, negotiated sale, or fixed price sale) other than Internet sales, provide personnel services, such as auctioneer, collection officer, and/or additional personnel as feasible. These services may require an additional fee to be negotiated with the Center PDO above the 20 percent fee for non-Shuttle property or the 10 percent fee for Space Shuttle property sales.
- e. Distribute reimbursable sales proceeds, which will be transferred to the applicable NASA installation by IPAC or electronic funds transfers within an estimated 14 calendar days after all payments have been received from the sale.
- f. Consult Center PDOs, as applicable, to establish a fixed price that bids cannot fall below (upset price) for surplus and exchange/sale property and to establish any special sales requirements (e.g., lowering minimum bid, utilizing a particular sales method).
- g. Post sales photos and announcements of sales via the Internet.
- h. Incorporate in the sales terms and conditions any special instructions for item DEMIL or special handling requirements, export control, hazardous material, and any applicable State and local laws and regulations.
- i. Coordinate inspection and viewing times, and the number of working days allowed to pick up the items being sold with the Center PDO. Some items may require a longer than normal time for removal because of regulations relating to DEMIL, rigging, special handling, or permits.
- j. Administer all pre- and post-award sales contracts related to the sale as required.
- k. Resolve any disputes, claims, defaults adjustments, and refunds with buyers and/or bidders related to sale of NASA property sold by GSA. The affected NASA installation will be notified prior to any final decisions.
- l. Administer all collections defaults and removals.
- m. Ensure reimbursement rates are applicable to the item for sale based on criteria that include exchange/sale and surplus sale proceeds.

5.6.2 GSA will retain a pre-established percentage of the gross proceeds (10 percent for Space Shuttle-related and unique property as identified by the Center PDO (e.g., cranes, special purpose vehicles and equipment) or 20 percent for non-Space Shuttle property) as its fee for services rendered, prior to the disbursement of funds to the principal NASA installation.

5.6.3 NASA will not be charged a fee for any item not sold.

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